

## **Agenda Item 8B**

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## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, CSDM, General Manager *SP*

**SUBJECT:** Adopt a Resolution Approving the First Amendment to the Professional Services Agreement with Hansford Economic Consulting, LLC for a Water and Wastewater Rates Study, Increasing the Not to Exceed Amount by \$6,090.

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### **RECOMMENDATION**

Adopt a resolution approving the First Amendment to the Professional Services Agreement (PSA) with Hansford Economic Consulting, LLC (HEC) for a water and wastewater rates study, increasing the not to exceed amount by \$6,090.

### **BACKGROUND**

On April 15, 2025, the Donner Summit Public Utility District (DSPUD) Board of Directors approved a PSA with HEC for a water and wastewater rates study with a not-to-exceed amount of \$33,170 (Attachment 1).

The rate study was completed by HEC and the Board adopted new rates at the meeting on June 2, 2026. During the rate study preparation and public review process, HEC performed additional work that exceeded the level of effort assumed in scope of the PSA. That additional work included:

- Modeling the impact of three different capital improvement plan scenarios, instead of one.
- Attending four Board meetings prior to the public meeting, instead of the two planned in the PSA.
- Preparing a newsletter in February 2026.
- Supporting the General Manager in reviewing and responding to various and extensive customer questions.

### **DISCUSSION AND ANALYSIS**

Attachment 2 is a draft final invoice from HEC demonstrating that the total cost will exceed the approved PSA by \$6,084.55. The draft final invoice also notes that HEC is not going to bill for the time required to finalize the rate study after the June 2 Board meeting.

The General Manager's estimate of hours for the additional work is detailed below.

| Task                                              | Hours     |
|---------------------------------------------------|-----------|
| Model multiple capital improvement plan scenarios | 8         |
| Attend additional Board meetings                  | 6         |
| Prepare newsletter                                | 8         |
| Support review and response to questions          | 6         |
| <i>Total</i>                                      | <i>28</i> |

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At a billing rate of \$220 hours for Catherine Hansford's time, the estimated 28 hours of extra work would cost \$6,160. The increase of \$6,190 appears reasonable based on the estimated 28 hours of extra work

The General Manager recommends that the Board adopt a resolution approving Amendment No. 1 to the professional services agreement with HEC.

**FISCAL IMPACT**

The Fiscal Year 2025/2026 Operating Budget allocated \$34,000 for this rate study. Overall expenses are currently projected to be underbudget, and this addition expense of \$6,090 can be accommodated withing the current budget appropriation. A budget amendment is not required at this time.

**CEQA ASSESSMENT**

This action is not a CEQA project.

**ATTACHMENTS**

1. Professional Services Agreement
2. Draft Final Invoice
3. First Amendment
4. Resolution 2026-13

## **Attachment 1**

**AGREEMENT BETWEEN DONNER SUMMIT PUBLIC UTILITY DISTRICT  
AND HANSFORD ECONOMIC CONSULTING, LLC  
FOR THE PROVISION OF PROFESSIONAL SERVICES**

**INTRODUCTION**

WHEREAS, Donner Summit Public Utility District (hereinafter referred to as "District") has the need for the PROFESSIONAL services of Hansford Economic Consulting, LLC (hereinafter referred to as "Contractor") for Water and Wastewater Rates Study, and in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, the parties hereby agree as follows:

**TERMS AND CONDITIONS**

**1. SCOPE OF WORK.**

The Contractor shall furnish to the District those services and work set forth in **Attachment A**, attached hereto and by reference incorporated herein. The Scope of Work includes financial consulting services to update water and wastewater rates.

Services and work provided by the Contractor at the District's request under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state, county, and District laws, ordinances, resolutions, and directions. Such laws, ordinances, regulations, and resolutions include, but are not limited to, those which are referred to in this Agreement.

**2. TERM.**

The term of this Agreement shall be from April 16, 2025 to July 1, 2026 unless sooner terminated as provided below.

**3. CONSIDERATION.**

A. Compensation. District shall pay Contractor in accordance with the Schedule of Fees and work described in Attachments A and B which are performed by Contractor at the District's request.

B. Travel and per diem. District shall not reimburse Contractor for the travel expenses and per diem.

C. No additional consideration. Except as expressly provided in this Agreement, Contractor shall not be entitled to, nor receive, from District, any additional consideration, compensation, salary, wages, or other type of remuneration for services rendered under this Agreement. Specifically, Contractor shall not be entitled, by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.

D. Limit upon amount payable under Agreement. The total sum of all payments made by the District to Contractor for services and work performed under this Agreement shall not exceed thirty-three thousand one hundred seventy Dollars (\$33,170) (hereinafter referred to as "contract limit"). District expressly reserves the right to deny any payment or reimbursement requested by Contractor for services or work performed, including travel or per diem, which is in excess of the contract limit.

E. Billing and payment. Contractor shall submit to the District, at achieved milestones, an itemized statement of all hours spent by Contractor in performing services and work described in **Attachment A**, which were done at the District's request. This statement will identify the date on which the hours were worked and describe the nature of the work which was performed on each day. Upon timely receipt of the statement, the District shall make payment to Contractor within fifteen (15) days.

**4. WORK SCHEDULE.**

Contractor's obligation is to perform, in a timely manner, those services and work identified in Attachment A which are requested by the District. It is understood by Contractor that the performance of these services and work will require a varied schedule. Contractor will arrange his/her own schedule but will coordinate with District to ensure that all services and work requested by District under this Agreement will be performed within the time frame set forth by District.

**5. REQUIRED LICENSES, CERTIFICATES, AND PERMITS.**

A. Any licenses, certificates, or permits required by the federal, state, county, or municipal governments for contractor to provide the services and work described must be procured by Contractor and be valid at the time Contractor enters into this Agreement or as otherwise may be required. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by Contractor at no expense to the District.

B. Contractor warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Contractor also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs issued by the General Services Administration available at: <http://www.sam.gov>.

**6. PREVAILING WAGES.**

Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. District shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold District, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

**7. OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.**

Contractor shall provide such office space, supplies, equipment, vehicles, reference materials, and telephone service as is necessary for Contractor to provide the services identified in **Attachment A** to this Agreement. District is not obligated to reimburse or pay Contractor, for any expense or cost incurred by Contractor in procuring or maintaining such items. Responsibility for other costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

**8. DISTRICT PROPERTY.**

A. Personal Property of District. Any personal property such as, but not limited to, protective or safety devices, badges, identification cards, keys, etc. provided to Contractor by District pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of District. Contractor will use reasonable care to protect, safeguard and maintain such items while they are in Contractor's possession. Contractor will be financially responsible for any loss or damage to such items, partial or total, which is the result of Contractor's negligence.

B. Products of Contractor's Work and Services. Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs, computer disks, computer tapes, memory chips, soundtracks, audio recordings, films, audio-visual presentations, exhibits, reports, studies, works of art, inventions, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or are the result, product, or manifestation of, Contractor's services or work under this Agreement are, and at the termination of this Agreement remain, the property of the District.

**9. WORKERS' COMPENSATION.**

Contractor shall provide Statutory California Worker's Compensation coverage and Employer's Liability coverage for not less than \$1,000,000 per occurrence for all employees engaged in services or operations under this Agreement. Donner Summit Public Utility District, its agents, officers, employees, and volunteers shall be named as additional insured, or a waiver of subrogation shall be provided.

**10. INSURANCE.**

For the duration of this Agreement Contractor shall procure and maintain insurance of the scope and amount specified in Attachment **D** and with the provisions specified in that attachment.

**11. STATUS OF CONTRACTOR.**

All acts of Contractor, its agents, officers, and employees, relating to the performance of this Agreement, shall be performed as independent contractors, and not as agents, officers, or employees of District. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of District. Except as expressly provided in **Attachment A**, Contractor has no authority or responsibility to exercise any rights or power vested in the District. No agent, officer, or employee of the District is to be considered an employee of Contractor. It is understood by both Contractor and District that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture. As an independent contractor:

A. Contractor shall determine the method, details, and means of performing the work and services to be provided by Contractor under this Agreement.

B. Contractor shall be responsible to District only for the requirements and results specified in this Agreement, and except as expressly provided in this Agreement, shall not be subjected to District's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement.

C. Contractor, its agents, officers, and employees are, and at all times during the term of this Agreement shall represent and conduct themselves as, independent contractors, and not as employees of District.



**12. DEFENSE AND INDEMNIFICATION.**

Contractor shall defend, indemnify, and hold harmless District, its agents, officers, employees, and volunteers from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from, or in connection with, the performance of this Agreement by Contractor, or Contractor's agents, officers, or employees.

Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, employees, and volunteers harmless applies to any actual or alleged personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Contractor's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other costs which is caused in whole or in part by any act or omission of the Contractor, its agents, employees, supplier, or any one directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable.

Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, employees, and volunteers harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

To the extent permitted by law, District shall defend, indemnify, and hold harmless Contractor, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, or resulting from, the active negligence, or wrongful acts of District, its officers, employees, or volunteers.

**13. CANCELLATION.**

This Agreement may be canceled by District without cause, and at will, for any reason by giving to Contractor thirty (30) days written notice of such intent to cancel. Contractor may cancel this Agreement without cause, and at will, for any reason whatsoever by giving thirty (30) days written notice of such intent to cancel to District.

**14. RECORDS AND AUDIT.**

A. Records. Contractor shall prepare and maintain all records required by the various provisions of this Agreement, federal, state, municipal, and District law, ordinances, regulations, and directions. Contractor shall maintain these records for a minimum of four (4) years from the termination or completion of this Agreement. Contractor may fulfill its obligation to maintain records as required by this paragraph by substitute photographs, microphotographs, or other authentic reproduction of such records.

B. Inspections and Audits. Any authorized representative of District shall have access to any books, documents, papers, records, including, but not limited to, financial records of Contractor, which District determines to be pertinent to this Agreement, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, District has the right, at all reasonable times, to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.

**15. ASSIGNMENT.**

This is an agreement for the services of Contractor. District has relied upon the skills, knowledge, experience, and training of Contractor as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement, or any part of it, without the express written consent of District. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of District.

**16. DEFAULT.**

If the Contractor abandons the work, or fails to proceed with the work and services requested by District in a timely manner, or fails in any way as required to conduct the work and services as required by District, District may declare the Contractor in default and terminate this Agreement upon five (5) days written notice to Contractor. Upon such termination by default, District will pay to Contractor all amounts owing to Contractor for services and work satisfactorily performed to the date of termination.

**17. WAIVER OF DEFAULT.**

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided in paragraph twenty-four (24) below.

**18. NONDISCRIMINATION.**

During the performance of this Agreement, Contractor, its agents, officers, and employees shall not unlawfully discriminate in violation of any federal, state, or local law, against any employee, or applicant for employment, or person receiving services under this Agreement, because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age, or sex. Contractor and its agents, officers, and employees shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), and the applicable regulations promulgated thereunder in the California Code of Regulations. Contractor shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said act.

**19. CONFIDENTIALITY.**

Contractor further agrees to comply with the various provisions of the federal, state, county, and District laws, regulations, and ordinances providing that information and records kept, maintained, or accessible by Contractor in the course of providing services and work under this Agreement, shall be privileged, restricted, or confidential. Contractor agrees to keep confidential all such information and records. Disclosure of such confidential, privileged, or protected information shall be made by Contractor only with the express written consent of the District. Any disclosure of confidential information by Contractor without the District's written consent is solely and exclusively the legal responsibility of Contractor in all respects.

**20. CONFLICTS.**

Contractor agrees that it has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the work and services under this Agreement. Contractor agrees to complete and file a conflict interest statement if requested by the District. District will notify Contractor, if such a request is made, of Contractor's disclosure category under the conflict of interest laws.

**21. POST AGREEMENT COVENANT.**

Contractor agrees not to use any confidential, protected, or privileged information which is gained from the District in the course of providing services and work under this Agreement, for any personal benefit, gain, or enhancement. Further, Contractor agrees for a period of two years after the termination of this Agreement, not to seek or accept any employment with any entity, association, corporation, or person who, during the term of this Agreement, has had an adverse or conflicting interest with the District, or who has been an adverse party in litigation with the District, and concerning such, Contractor by virtue of this Agreement has gained access to the District's confidential, privileged, protected, or proprietary information.

**22. SEVERABILITY.**

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal, state, county, or District statute, ordinance, or regulation, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby, and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

**23. FUNDING LIMITATION.**

The ability of District to enter this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, or is modified, from one or more sources, District has the option to cancel, reduce, or modify this Agreement, or any of its terms within ten (10) days of its notifying Contractor of the cancellation, reduction, or modification of available funding. Any reduction or modification of this Agreement made pursuant to this provision must comply with the requirements of paragraph twenty-four (24) (Amendment).

**24. ATTORNEY'S FEES.**

If either of the parties hereto brings any action or proceeding against the other, including, but not limited to, an action to enforce or to declare the termination, cancellation, or revision of the Agreement, the prevailing party in such action or proceeding shall be entitled to receive from the other party all reasonable attorney's fees and costs, incurred in connection therewith.

**25. ARBITRATION OF DISPUTES**

Any dispute arising between the Contractor and District shall be resolved by binding arbitration in accordance with the rules of JAMS or Code of Civil Procedure §1280, et seq. and in accordance with the following provisions:

The arbitrator shall be empowered to order the losing party in the arbitration to reimburse the prevailing party for all expenses incurred in connection with the arbitration, including without limitation the arbitrator's fees and reasonable attorney fees and costs.

Contractor acknowledges the following regarding arbitration:

- A. The parties are waiving their right to a jury trial and to seek remedies available in court proceedings;
- B. Pre-arbitration discovery is generally more limited than and different from court proceedings;
- C. The arbitrator's award is not required to include factual findings or legal reasoning; and
- D. Any party's right to appeal or to seek modification of the award is strictly limited and that the award is final and binding on the parties.

By signing this Agreement, Contractor acknowledges that such binding arbitration may deprive them of various rights that they otherwise might have in a legal action, including without limitation the right to a jury trial, the right to appeal, and full discovery rights.

**26. AMENDMENT.**

This Agreement may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form and executed with the same formalities as this Agreement, and attached to the original Agreement to maintain continuity.

**27. NOTICE.**

Any notice, communication, amendments, additions, or deletions to this Agreement, including change of address of either party during the terms of this Agreement, which Contractor or District shall be required, or may desire, to make, shall be in writing and may be personally served, or sent by prepaid first-class mail to, the respective parties as follows:

**DONNER SUMMIT PUBLIC UTILITY DISTRICT**

Attn: Steven Palmer  
PO Box 610  
Soda Springs, CA 95728

**CONSULTANT:**

Hansford Economic Consulting, LLC  
Attn: Catherine Hansford  
PO Box 10384  
Truckee, CA 96162

**28. ENTIRE AGREEMENT.**

This Agreement contains the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term or provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

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IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS \_\_\_\_th DAY OF \_\_\_\_\_, 2025.

**DONNER SUMMIT PUBLIC UTILITY  
DISTRICT**

By: Steven Palmer, General Manager

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

Dated: \_\_\_\_\_

**HANSFORD ECONOMIC CONSULTING, LLC**

By: \_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

Dated: \_\_\_\_\_

**ATTACHMENT A**

**AGREEMENT BETWEEN  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
AND HANSFORD ECONOMIC CONSULTING, LLC  
FOR THE PROVISION OF PROFESSIONAL SERVICES**

**TERM:**

**FROM: APRIL 16, 2025 TO: JULY 1, 2026**

**SCOPE OF WORK**

The work performed through this contract agreement will be coordinated through the General Manager.

The scope of services includes gathering cost data from the District, use the District's financial and timekeeping records to develop a five-year projection of revenue requirements, evaluate cash/debt financing for capital improvements, perform a cost of service analysis, and calculate monthly user rates for water and wastewater. HEC will prepare a draft report, present to the District Board, revise as needed, and present a final report to the Board for adoption at a public hearing as required by Proposition 218. The scope includes preparing the legally required public hearing notice.

The scope is detailed in the attached Hansford Economic Consulting proposal dated February 24, 2025.

## ATTACHMENT B

### AGREEMENT BETWEEN DONNER SUMMIT PUBLIC UTILITY DISTRICT AND HANSFORD ECONOMIC CONSULTING FOR THE PROVISION OF PROFESSIONAL SERVICES

#### TERM:

FROM: APRIL 16, 2025 TO: JULY 1, 2026

#### SCHEDULE OF FEES

The cost to assist with this effort is not to exceed \$33,170, billed on a time and materials basis. Time and materials will be billed according to the following schedule of fees:

**Table 1**  
**Estimated Budget**

| Cost Item                        | Total Cost      | Cost of Service Study |                |                |                 | Implementation |
|----------------------------------|-----------------|-----------------------|----------------|----------------|-----------------|----------------|
|                                  |                 | Task 1                | Task 2         | Task 3         | Task 4          | Task 5         |
| <b>Staff</b>                     | <i>per hour</i> |                       |                | <i>Hours</i>   |                 |                |
| Hansford                         | \$210           | 8                     | 16             | 32             | 22              | 16             |
| Rollins                          | \$140           |                       |                |                | 30              | 22             |
| Analyst / Support                | \$120           |                       |                | 12             | 12              | 8              |
| Clerical                         | \$105           | 8                     |                | 2              | 6               | 6              |
| <b>Subtotal Staff Hours</b>      |                 | <b>16</b>             | <b>16</b>      | <b>46</b>      | <b>70</b>       | <b>52</b>      |
| <b>Total Proposed Budget [1]</b> | <b>\$33,170</b> | <b>\$2,520</b>        | <b>\$3,360</b> | <b>\$8,370</b> | <b>\$10,890</b> | <b>\$8,030</b> |

[1] HEC reserves the right to move budget between tasks as necessary to complete the scope of services up to the authorized budget amount.

If additional work is requested that is beyond the original scope of services, or if work efforts are greater than anticipated in development of the budget, HEC will request authorization for additional budget.

**ATTACHMENT C**

**AGREEMENT BETWEEN  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
AND HANSFORD ECONOMIC CONSULTING, LLC  
FOR THE PROVISION OF PROFESSIONAL SERVICES**

**TERM:**

**FROM: APRIL 16, 2025 to JULY 1, 2026**

**SCHEDULE OF TRAVEL AND PER DIEM PAYMENT:**

Travel and per diem costs will not be paid for by the District unless identified in Attachment B – Schedule of Fees. The District will only pay for items identified in Attachment B – Schedule of Fees

**ATTACHMENT D**

**AGREEMENT BETWEEN  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
AND HANSFORD ECONOMIC CONSULTING, LLC  
FOR THE PROVISION OF PROFESSIONAL SERVICES**

**TERM:**

**FROM: APRIL 16, 2025 to JULY 1, 2026**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.  
**(Not required if Contractor provides written verification it has no employees)**
4. **Professional Liability** (Errors and Omissions) Insurance appropriate to the Contractor's profession, with limit no less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

**Other Insurance Provisions**

**The insurance policies are to contain, or be endorsed to contain, the following provisions:**

***Additional Insured Status***

**The District, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).



### ***Primary Coverage***

For any claims related to this contract, the **Contractor's insurance coverage shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

### ***Notice of Cancellation***

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the District.**

### ***Waiver of Subrogation***

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said Contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

### ***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the District. The District may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or District.

### ***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

### ***Claims Made Policies***

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of **five (5) years** after completion of contract work.

### ***Verification of Coverage***

Contractor shall furnish the District with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to District before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

### ***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that District is an additional insured on insurance required from subcontractors.

### ***Special Risks or Circumstances***

District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.



PO Box 10384 Phone: 530-412-3676  
Truckee, CA 96162 Email: catherine@hansfordecon.com

February 24, 2025

Steve Palmer, General Manager  
Donner Summit Public Utility District

*Letter sent via Email*

Subject: **Scope and Budget for DSPUD Water and Wastewater Rates Study**

Dear Steve:

Hansford Economic Consulting LLC (HEC) is pleased to provide a scope and estimated budget to update water and wastewater rates for the Donner Summit Public Utility District (DSPUD). Rates for both utility systems were last adopted in 2021, and the last rate increase from those adopted rate schedules will go into effect July 1, 2025.

### **Proposed Scope of Services**

The proposed Scope of Services includes five tasks. **Tasks 1 and 2** will provide the District with a financial projection of costs and the increase in revenues needed to cover those costs. **Tasks 3 and 4** include the cost of service analysis to demonstrate what the proportional costs are by customer type, the calculated fees, and presentation of findings to the District Board for consideration. **Implementation Task 5** includes assistance with the Proposition 218 process to adopt new or amended water and wastewater rates.

This proposal does not examine cost of service for the Big Bend water system.

### **COST OF SERVICE TASKS**

#### **Task 1: Data Gathering and Project Management**

HEC will provide a list of information to be provided by the District. HEC will also research and acquire applicable secondary sources of data. HEC will review information provided and determine what additional information is needed. This task includes time for Catherine Hansford to manage, track, and report on project progress every month. It entails review of work status/progress, invoicing, and coordination with District staff.

#### **Task 2: Determine Revenue Requirement**

Under this task, HEC will work with District staff to determine the amount of revenue that needs to be collected from rate-paying customers for both the water and wastewater systems. HEC will use the District's financial and timekeeping records to develop a 5-year projection of revenue requirement for the systems. The projected revenue requirement is the revenue necessary to fully cover all expenditures net of other operating and non-operating revenues. Revenue

requirement typically comprises operating expenses, capital improvement costs (system rehabilitation and new infrastructure), debt service, and reserve/emergency funds.

Operation and maintenance expenses may be projected using historical annual percentage increases, or some other index, such as a consumer price index; projection methodology will be discussed with staff. Expense item categories, such as utility costs and labor costs, will be projected independently.

HEC will summarize the water and wastewater capital improvement plans as provided by the District and/or its engineer and will present a financing strategy to ensure the facilities are completed in a timely fashion, while minimizing the impact to rate payers. HEC's Excel model will be able to evaluate the impact of funding the CIPs by priority and cash/debt funding.

### **Task 3: Cost of Service and Rate Design**

Using District-provided customer database information, HEC will perform a cost of service (COS) analysis for both utilities. The COS allocates the revenue requirement among the users of the systems to demonstrate the share of costs attributable to each customer type. Allocation is based on cost classification and available customer usage characteristics. HEC uses the American Water Works Association M1 Manual, the Water Environment Federation Manual of Practice No. 27, and Government Finance Officers Association guidelines to perform the COS.

The cost of service analysis leads to the calculation of monthly user rates for water and wastewater so that the systems are adequately funded for existing and projected future costs and that the rates are based on the demand for service by each customer type. The current rate structures for water and wastewater will be assessed for alignment with current District goals and objectives and fit with customer usage patterns. HEC will provide guidance and advice to District staff to ensure any proposed change in rate structures complies with Proposition 218 and all related laws.

Bill impact analysis provides an important reality check to assess customer acceptability of changes in fees. Customer bills will be compared with an affordability indicator to assess the impacts of changes to the rate structure and/or rate amounts. If the District thinks it is useful, HEC will prepare a user rate comparison for the District that will measure the new rates of the District with those charged in neighboring communities.

### **Task 4: Present to District Board and Community Meeting**

HEC will prepare a report that includes the methodologies used and detailed calculations of both the water and wastewater rates, and recommendations for rate changes July 1, 2026. The report will demonstrate cost of service and proportionality requirements such that the District shows compliance with Proposition 218.

HEC will attend a Board meeting to explain the findings and discuss options for moving forward. A community meeting should be offered to the public to give residents an opportunity, besides a Board meeting, to learn about the rate-setting process and how they can stay informed. Rollins PR will assist with community meeting organization.

Following edits and changes to the draft document discussed with staff and presented to the Board, HEC will prepare the draft final report for review with the Board. HEC will present the Final Draft Rate Study report at a District Board meeting. The goal of this meeting is to accept the Study and authorize staff and/or consultants to begin the Proposition 218 process.

## ASSIST WITH IMPLEMENTATION

### Task 5: Meet Proposition 218 Requirements

The implementation process for Proposition 218 includes drafting the public hearing notice, helping with staff reports, drafting of the updated ordinance and coordinating with legal counsel. Implementation assistance also includes printing and mailing the public hearing notices. Rollins PR will assist with this task. Time to prepare for and attend the public hearing is included in this task. This task also includes submission of the final report.

### Budget and Schedule

The estimated budget of \$33,170 is based on HEC's 2025 standard hourly rates shown in **Table 1**. HEC charges for services on a cost not-to-exceed basis; therefore, you will only be billed for the work completed up to the authorized budget amount. Invoices are issued monthly and are due on receipt. Invoices include staff time and direct expenses (vehicle mileage reimbursement at the current Federal GSA Mileage Reimbursement Rate for Privately Owned Vehicles).

The costs of printing and mailing are not included in the budget estimate. Actual costs will be billed to the District for reimbursement.

**Table 1**  
**Estimated Budget**

| Cost Item                        | Total Cost      | Cost of Service Study |                |                |                 | Implementation |
|----------------------------------|-----------------|-----------------------|----------------|----------------|-----------------|----------------|
|                                  |                 | Task 1                | Task 2         | Task 3         | Task 4          | Task 5         |
| <b>Staff</b>                     | <i>per hour</i> | <i>Hours</i>          |                |                |                 |                |
| Hansford                         | \$210           | 8                     | 16             | 32             | 22              | 16             |
| Rollins                          | \$140           |                       |                |                | 30              | 22             |
| Analyst / Support                | \$120           |                       |                | 12             | 12              | 8              |
| Clerical                         | \$105           | 8                     |                | 2              | 6               | 6              |
| <b>Subtotal Staff Hours</b>      |                 | <b>16</b>             | <b>16</b>      | <b>46</b>      | <b>70</b>       | <b>52</b>      |
| <b>Total Proposed Budget [1]</b> | <b>\$33,170</b> | <b>\$2,520</b>        | <b>\$3,360</b> | <b>\$8,370</b> | <b>\$10,890</b> | <b>\$8,030</b> |

[1] HEC reserves the right to move budget between tasks as necessary to complete the scope of services up to the authorized budget amount.

If additional work is requested that is beyond the original scope of services, or if work efforts are greater than anticipated in development of the budget, HEC will request authorization for additional budget.

HEC will work with the District to ensure new rates are adopted spring 2026 (for implementation July 1, 2026). A preliminary schedule is provided below.

|                               |           |                 |
|-------------------------------|-----------|-----------------|
| Rate Study Commences          |           | 7/15/2025       |
| Present Findings to the Board | Board Mtg | 12/16/2025      |
| Draft Report ready            |           | 2/10/2026       |
| Draft Report Presentation     | Board Mtg | 2/17/2026       |
| Last Day to Mail Out Notices  |           | 3/5/2026        |
| Draft Final Report Complete   |           | 3/31/2026       |
| Public Hearing and Resolution | Board Mtg | 4/21/2026       |
| <b>New Rates Effective</b>    |           | <b>7/1/2026</b> |

You can reach Catherine at (530) 412-3676 or [catherine@hansfordecon.com](mailto:catherine@hansfordecon.com) with any questions about this proposal. HEC brings more than twenty years of experience in municipal finance and economic consulting with specialization in the water industry.

Sincerely,



Catherine R. Hansford, Principal  
HANSFORD ECONOMIC CONSULTING

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## Attachment 2

# Hansford Economic Consulting LLC

PO Box 10384  
CA 96162-0384

Phone # 530-412-3676 catherine@hansfordecon.com

July 21, 2026  
Agenda Item: 8B  
Attachment 2

| Date     | Invoice # |
|----------|-----------|
| 6/1/2026 | 958       |

**Bill To**  
Donner Summit PUD

| HEC #  |
|--------|
| 250457 |

| P.O. No. | Terms | Project |
|----------|-------|---------|
|----------|-------|---------|

Due on receipt Utility Rates Update 2025

| Quantity                                                                                                                                                                                                                                                                                                                                        | Description                                                        | Rate   | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------|----------|
| 1.25                                                                                                                                                                                                                                                                                                                                            | DSPUD Utility Rates Update 2025 - clerical April & May             | 110.00 | 137.50   |
| 5.5                                                                                                                                                                                                                                                                                                                                             | DSPUD Utility Rates Update 2025 - C Hansford April                 | 220.00 | 1,210.00 |
| 3                                                                                                                                                                                                                                                                                                                                               | DSPUD Utility Rates Update 2025 - Analyst April                    | 130.00 | 390.00   |
| 16.25                                                                                                                                                                                                                                                                                                                                           | DSPUD Utility Rates Update 2025 - S Rollins April & May            | 150.00 | 2,437.50 |
| 12.5                                                                                                                                                                                                                                                                                                                                            | DSPUD Utility Rates Update 2025 - Rollins PR Associate April & May | 90.00  | 1,125.00 |
| 5.5                                                                                                                                                                                                                                                                                                                                             | DSPUD Utility Rates Update 2025 - C Hansford May                   | 220.00 | 1,210.00 |
| <p>THIS IS A DRAFT INVOICE -- APRIL 10, 2026 ESTIMATED AN ADDITIONAL \$4,870 NEEDED TO COMPLETE THE STUDY<br/> THIS INVOICE WOULD INCREASE THE TOTAL FINAL COST BY \$6,084.55<br/> (A GREATER AMOUNT THAN ANTICIPATED IN APRIL)<br/> THIS IS THE FINAL INVOICE. HEC WILL NOT CHARGE TO MAKE THE REPORT FINAL AFTER THE JUNE 2 BOARD MEETING</p> |                                                                    |        |          |

FINAL INVOICE

**Total** \$6,510.00



## **Attachment 3**

**FIRST AMENDMENT  
TO THE AGREEMENT BETWEEN DONNER SUMMIT PUBLIC UTILITY DISTRICT  
AND HANSFORD ECONOMIC CONSULTING, LLC FOR THE PROVISION OF PROFESSIONAL  
SERVICES**

**INTRODUCTION**

This First Amendment ("Amendment"), dated as of July 21, 2026 ("Amendment Effective Date"), is to that certain Agreement Between Donner Summit Public Utility District (hereinafter referred to as "District") and Hansford Economic Consulting, LLC. (hereinafter referred to as "Contractor"), dated as of April 15, 2025 ("Original Agreement," and as supplemented and amended by this First Amendment, the "Agreement").

**TERMS AND CONDITIONS**

As of the Amendment Effective Date, the Original Agreement shall be deemed to be amended in the following manner:

1. "Attachment B", referenced in Subsection A "Compensation" of Section 4 "Consideration" of the Original Agreement is amended as follows:

"Total Maximum Not to Exceed" is increased to \$39,260.

2. Subsection D "Limit upon amount payable under Agreement" of Section 4 "Consideration" of the Original Agreement is amended to read as follows:

The total sum of all payments made by the District to Contractor for services and work performed under this Agreement shall not exceed \$39,260.00 Dollars (hereinafter referred to as "contract limit"). District expressly reserves the right to deny any payment or reimbursement requested by Contractor for services or work performed, including travel or per diem, which is in excess of the contract limit.

Except to the extent the Original Agreement is specifically amended or supplemented hereby, the Original Agreement, together with exhibits is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to modify, invalidate or otherwise affect any provision of the Original Agreement.

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 21st DAY  
OF July , 2026.

**DONNER SUMMIT PUBLIC UTILITY  
DISTRICT**

By: Steven Palmer, General Manager  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

Dated: \_\_\_\_\_

**HANSFORD ECONOMIC CONSULTING, LLC**

By: CATHERINE HANSFORD  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

Dated: July 14, 2026

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## **Attachment 4**

**RESOLUTION NO. 2026-13**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DONNER SUMMIT PUBLIC UTILITY DISTRICT APPROVING A FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH HANSFORD ECONOMIC CONSULTING, LLC FOR A WATER AND WASTEWATER RATES STUDY INCREASING THE NOT TO EXCEED AMOUNT BY \$6,090 TO \$39,260**

**WHEREAS**, on April 15, 2025 Donner Summit Public Utility District (DSPUD) approved a professional services agreement (PSA) with Hansford Economic Consulting (HEC) to prepare a new water and wastewater rate study and to assist in following the required process to adopt updated rates; and

**WHEREAS**, the PSA was for a not to exceed amount of \$33,170; and

**WHEREAS**, HEC has performed additional work that exceeded the level of effort assumed in the scope of the PSA, including modeling rates with multiple capital improvement plan scenarios, attending two additional Board meetings, preparing a customer newsletter, supporting the review and responses to multiple lengthy customer questions and feedback; and

**WHEREAS**, the amount of extra work totals \$6,084.55.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF DONNER SUMMIT PUBLIC UTILITY DISTRICT DOES HEREBY RESOLVE** that the First Amendment to the Professional Services Agreement with Hansford Economic Consulting, LLC for a water and wastewater rates study in increasing the not to exceed amount by \$6,090 to \$39,260 is approved.

**PASSED AND ADOPTED** by the Board of Directors of Donner Summit Public Utility District, this 21st day of July 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DONNER SUMMIT PUBLIC UTILITY DISTRICT

By: \_\_\_\_\_  
Cathy Preis  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Dawn Parkhurst  
Secretary of the Board